

**Ownership Strategy
For
Lands Administered On Behalf of the State's Citizens
By
The Department of Natural Resources**

BACKGROUND

The framework for the responsibilities and authorities of the Michigan Department of Natural Resources to hold and manage State-owned lands on behalf of Michigan's citizens is found in the Michigan Constitution and in enabling legislation such as the Natural Resources and Environmental Protection Act, 1991 PA 451.

The Department of Natural Resources is committed to the conservation, protection, management, use and enjoyment of the State's natural resources for current and future generations. As part of fulfilling that mission, the Department currently holds title to approximately 4.5 million acres of Michigan's land surface, almost 6 million acres of its mineral rights, and 25 million acres of Great Lakes' Bottomlands on behalf of the citizens of this State. The Department manages these lands to conserve, protect, and provide public use and enjoyment of the natural resource, recreational, ecological, cultural, and historical values of all these lands for present and future generations of Michigan citizens and visitors to the State.

A substantial portion of these lands were purchased specifically for the natural resource and outdoor recreation values using restricted funds including, but not limited to, revenues from the hunting and fishing licenses, state park fees, and sale of forest products, to name but a few. The Department has acquired important lands through grants from the Michigan Natural Resources Trust Fund which is based on funds derived from the extraction of oil, gas, and minerals from State-owned mineral rights. The Department has also acquired key lands in part with federal funds such as Pittman-Robertson Fund, Wallop-Breaux Fund, and Land and Water Conservation Fund.

Still, the majority of the lands managed by the Department came into State ownership as a result of tax reversion in the 20th Century. Most of these lands tax reverted after being clear cut. Many of these lands tax reverted several times after being resold by the State. The Department healed these cutover lands through reforestation and fire protection programs through most of the 20th Century. Those conservation programs made these lands valuable once again for forestry, wildlife habitat, and outdoor recreation.

While most of these lands acquired through tax reversion contribute significantly to helping the Department fulfill its mission, some do not. The costs associated with managing some of the more scattered land holdings may outweigh the conservation and outdoor recreation values those lands provide. In some cases it appears that the Department's cost of managing marginal land holdings may detract from achieving the best overall management of the more critical lands. Income from the sale of those tracts that are determined to contribute little to fulfilling the Department's mission would

provide funds to acquire important private in-holdings within the State's lands. In addition, whatever costs and staff time which are now directed towards managing those marginal land holding could then be redirected to enhance the Department's ability to manage its remaining lands.

Whether the lands were acquired by purchase or by tax reversion, the State of Michigan currently makes payments in lieu of taxes or swamp tax payments on all of these lands to local governments through appropriations to in the Department's budget. In recent years, appropriations have not increased enough to cover tax obligations, creating a deficit.

Public Lands Ownership - Summary

Over 7 million acres of Michigan's land surface is owned by the public and managed on their behalf by the State of Michigan, through the Department of Natural Resources, and by the United State of America, primarily through the U. S. Forest Service, the U. S. Park Service, and the U. S. Fish and Wildlife Service. (See map)

Public Ownership – State Forests

The largest portion of these public lands is encompassed in Michigan's State Forests administered by the Department of Natural Resources' Forest, Mineral and Fire Management Division. There are approximately 3.81 million acres of State Forest land. The Upper Peninsula contains 1.9 million acres and the Northern Lower Peninsula has 1.91 million acres.

Although the majority of these State Forest lands were obtained through tax reversion in the 1930s and 1940s, approximately one-fifth of the State Forest acreage was purchased during the same period with hunting license fees both to provide opportunities for public hunting as well as to conserve wildlife habitat. In the last decade, the acreage in State Forests has changed about 1%, adding approximately 57,700 acres and disposing of approximately 14,400 acres through exchanges, legislative transfers, purchases, and gifts. Perhaps the most notable acquisition was the more than 6,000 acres purchased near the tip of the Keweenaw Peninsula. These lands were purchased with funding from the Natural Resources Trust Fund in partnership with The Nature Conservancy to assure that their lakes, rivers and many miles of Lake Superior shoreline remained available to Michigan's citizens.

Although Forest, Mineral and Fire Management Division administer Michigan's State Forests, since 1946 they have shared management authority and decision-making with the Wildlife Division, when the Natural Resources Commission merged the license fee purchased lands in the north with the State Forests' tax reverted lands to simplify administration.

Public Ownership – Federal Forests

The National Forests in Michigan currently include approximately 2.85 million acres. This includes approximately 1.88 million acres in the Upper Peninsula made up of the Ottawa National Forest and the Hiawatha National Forest and 0.98 million in the Northern Lower Peninsula's Huron/Manistee National Forest. The acreage in Michigan's National Forests was accumulated primarily prior to World War II and has remained relatively static in the last decade.

Public Ownership – State Game and Wildlife Areas

The State Game and Wildlife areas encompass approximately 400 thousand acres, primarily in the Southern Lower Peninsula. These areas include both tax reverted lands and lands purchased with hunting license fees and Natural Resource Trust Funds. Many of these acres were purchased after World War II and into the 1950s in partnership with the U. S. Fish and Wildlife Service using a combination of Michigan's hunting license fees and federal taxes on hunting arms and ammunition under the Federal Pittman-Robertson Act. These game and wildlife areas are required by law to be managed for the restoration of wildlife species and their habitats as well as to provide for wildlife-related outdoor recreation such as hunting, trapping, and wildlife viewing.

Public Ownership – National Wildlife Refuges

The U. S. Fish and Wildlife Service administers approximately 115 thousand acres in three refuges. Seney National Wildlife Refuge, in the Upper Peninsula, encompasses approximately 95 thousand acres. Shiawassee National Wildlife Refuge in the Southern Lower Peninsula encompasses a little over 17 thousand acres. The newly established Detroit River International Wildlife Refuge encompasses only 384 acres at present but will eventually grow somewhat. This growth will mainly be in partnership with the State of Michigan and with local units of government to protect the remaining wetlands along the Detroit River and Lake Erie. The majority of these refuges were purchased in 1940s, 1950s, and into the 1960s. More recently, their emphasis has been on acquiring private in-holdings.

Management of the National Wildlife Refuges in Michigan is primarily directed toward migratory birds, especially waterfowl. The National Wildlife Refuge System has purchased some lands in the Northern Lower Peninsula to help in conservation of habitats for the federally listed Kirtland's warbler.

Public Ownership – State Parks and Recreation Areas

Michigan's 97 State Parks, Recreation Areas, and Linear Parks encompass approximately 280 thousand acres and more than 244 miles of designated trails. In addition, more than 20 thousand acres are encompassed in approximately 1,300 boating and public water access sites.

The Michigan Park system dates back to 1919, with the legislative creation of the State Park Commission and acquisition of the properties of Interlochen and D.H. Day State Parks. By 1929, there were 52 Parks in the system. During this time period, a number of smaller State Parks were transferred to local ownership.

The greatest expansion and development of State Parks occurred in the 1930s and early 1940s through the efforts of various Federal relief programs. The largest Park in the system, Porcupine Mountains Wilderness State Park, was established in 1944, when a special appropriation of \$1.0 million purchased 58,000 acres in the western Upper Peninsula. The late 1940s and early 1950s, saw another phase with the acquisition of recreational properties in southeastern Lower Michigan, which became 14 recreation areas totaling 66,000 acres. In the last decade State Parks have acquired approximately 9 thousand acres, much of it in in-holdings within the Parks, and have disposed of approximately 1 thousand acres, much through exchanges.

The State Parks are managed to conserve and protect special parts of Michigan's natural environment and to provide camping, hiking, boating, and other outdoor recreation opportunities for Michigan's citizens and their visitors. Boating and public water access sites provide water-related recreation opportunities for all of Michigan's citizens, especially the owners and operators of the more than 1 million boats registered in Michigan.

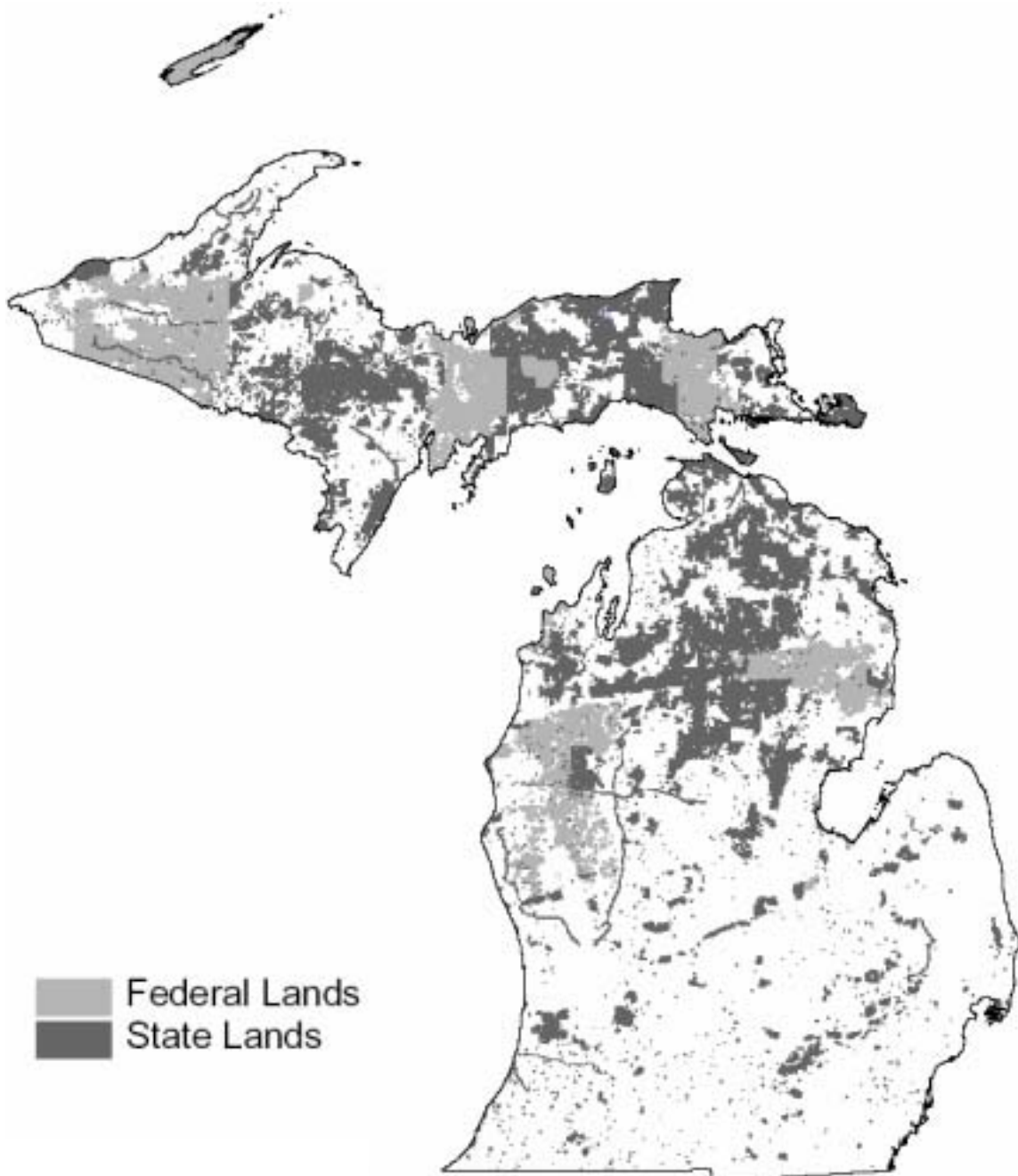
Public Ownership – National Parks and National Lake Shores

Michigan is home to one National Park and two National Lakeshores, encompassing approximately 673 thousand acres. Isle Royal National Park (established 1940) and Pictured Rocks National Lakeshore (established 1967) are found in the Upper Peninsula and encompass approximately 616 thousand acres. Sleeping Bear Dunes National Lakeshore (established 1967) is found in the Northern Lower Peninsula and encompasses approximately 57 thousand acres in Federal ownership and approximately 14 thousand acres in private ownership. Although it appears that there is little effort to add acreage to the National Parks, when there is an interest it is being pursued through partnerships.

Public Ownership – Great Lakes Bottomlands

The Department holds title to approximately 25 million acres of Great Lakes bottomlands on behalf of the citizens of Michigan.

Public Lands Distribution



ECONOMIC IMPACTS

Forest products harvested from Michigan's forests contribute more than \$12 billion annually in economic activity and 20 thousand jobs to Michigan's economy. Oil and gas production provides an additional \$2 billion annually and 10 thousand jobs. Forest-related recreation contributes an additional \$3 billion annually and 50 thousand jobs. The lands of the State Forests produce more than their proportional share of these products.

The 2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, found that hunting contributed more than \$486 million to Michigan's economy. At minimum, one fifth of that is directly associated with public lands. Past surveys of hunting activity in Michigan's southern Lower Peninsula found that although public lands made up only slightly more than 4% of the lands, they supported nearly one quarter of the hunting effort in that region. In addition, other outdoor recreation activities make up more than half the recreation hours spent on the State Game and Wildlife Areas. Research in the late 1990s found that visitors to Michigan's State Parks spent more than \$464 million associated with their visits creating more than \$1 billion in economic activity for Michigan.

Each year boaters in Michigan spend more than \$2 billion on their boats and their boating trips. Boating trips on the Great Lakes will most often include stops at one or more of the harbors developed or maintained by the Department. The majority of Michigan's boaters own trailerable boats and depend on public access sites to reach Michigan's abundant waters. The Department's 770 boating access sites support more than one third of the State's boat launchings and these contribute almost \$200 million in economic activity annually. In addition, more than 1.3 million anglers contributed more than \$836 million in economic activity. Again, these anglers are heavily dependent on public lands and public access sites for getting on the public waters for fishing.

ISSUES

Public lands which are held and managed for natural resource conservation and natural resource-related outdoor recreation are an important component in buffering the effects of certain land-use trends. However, the conservation and outdoor recreation values of these lands are also strongly and most often negatively impacted by land-use trends in Michigan.

ISSUE: Most of the public land management units administered by the Department suffer from at least two aspects of fragmentation. First, most of these land management units include a significant portion of private parcels liberally scattered among the public parcels. Commercial and residential development near or adjacent to these public lands can have a serious negative impact on the outdoor recreation use of those public lands and the natural resource management options. For example, because of legal safety zones around dwellings (450 feet), a new house constructed adjacent to public hunting lands can eliminate hunting on many acres of adjacent public lands. The attractiveness of living next to public lands means that these new houses can have a significant impact on hunting opportunities even though the lands remain in public ownership.

ISSUE: In addition, the management of the public lands within these management units is often further fragmented because different parcels may have been acquired through means (tax reversion, purchase, gift, etc.) or purchased with different funding sources (Game and Fish Fund, Land and Water Conservation Fund, Natural Resources Trust Fund, etc.). Each means and each funding source may carry with it restrictions on management options for that land parcel. In addition, each of means and funding sources may require separate accounting for some of the management costs and much of the derived revenue from the sale of timber, oil and gas, sand and gravel, easements, etc. To further complicate the matter, the public does not always own both the surface rights and the mineral rights for all parcels, or the two sets of rights may have been acquired through different means or with different funding sources.

ISSUE: Adjacent development soon turns in to pressure to release additional public lands to allow for additional development. Developers see the adjacent public lands as the logical location for their next housing development or shopping center. In certain instances, it is possible to protect conservation and outdoor recreation values by accommodating this growth. For example, the Department worked with the City of Grayling to develop a plan to allow for the sale of certain public lands adjacent to Grayling's industrial park and adjacent to I-75. This helped to direct commercial and industrial development in preferred areas with adequate public services rather than scattered across isolated private parcels further from the City.

ISSUE: Adjacent development drives up local land values and for purchased lands administered by the Department of Natural Resources, drives up the Payments-in-Lieu-of-Taxes obligations on these public lands. This is especially true in southern Michigan.

This could lead to a halt in the acquisition of lands important to the future of natural resource conservation and our citizens' natural resource-related outdoor recreation.

ISSUE: Depending on their interests, some people believe that there is much too little public land available for outdoor recreation in Michigan and others believe there is too much. The Natural Resource Commission recently adopted a new policy on land holdings administered by the Department of Natural Resources to help direct the evaluation of current lands and the needs to address both natural resource conservation and natural resource-related outdoor recreation.

ISSUE: Some large private forest land owners are moving to liquidate their land holdings in Michigan, leading to further fragmentation of forest stands, wildlife habitats, recreational trails, and important nature ecosystems. The Department is working in partnership with The Nature Conservancy, The Conservation Fund, the Natural Resources Trust Fund and other conservation partners to experiment with the large scale use of conservation easements to keep some of these lands in forest production and available to the public for natural resource-oriented outdoor recreation.

ISSUE: Michigan is blessed with more than 11 thousand lakes, 33 thousand miles of rivers and streams, and 3 thousand miles of Great Lakes shoreline. The presence of this great and highly sought-after resource does not assure its availability to Michigan's citizens and its visitors. The public's access to this resource and its natural resource-related outdoor recreation potential is almost exclusively dependent on public ownership of waterfront property on the State's lakes, rivers, and streams. The State of Michigan does not need to be the only provider of this access since counties, townships, cities, and villages can do so.

ISSUE: The majority of Michigan's public lands are found in the more northern portions of the State while the majority of Michigan's citizens live in the more southern portions of the State. Although purchasing additional public lands in southern Michigan generally provides the most additional public recreation opportunities, those lands generally have the highest acquisition costs and the highest payments-in lieu-of-taxes costs.

ISSUE: In many cases, public lands are the sole remaining locations of fragile ecosystems and species at risk, such as Oak/Pine Barrens, Lake Plain Prairie, Karner blue butterfly, Kirtland's warbler, etc.

ISSUE: Increased personal wealth, free time, ease of travel, and new recreation pursuits have increased the outdoor recreation demands on public lands.

Generally private land holdings within the State-owned lands administered by the Department make it more difficult to carry out management for natural resource conservation as well as make it more difficult for the general public to use those lands for natural resource-oriented outdoor recreation. Therefore, both the recreational users and the resource managers benefit if the public lands comprise a solid block.

General Acquisition Priorities are:

- 1) Private holdings within State Park boundaries;
- 2) Private holdings within State Game, Wildlife, and Recreation Area boundaries;
- 3) Private holdings that contain unique, critical, or at risk natural features that cannot be protected by other means provided in State and Federal laws;
- 4) Private holdings that would provide recreational trail connectors;
- 5) Private holdings that would provide public access to Michigan's waters, where access is not adequate; and
- 6) Private holdings within State Forest boundaries.

Within the category of **Private Inholdings**, the acquisition priorities generally fall out as follows:

- 1) Private inholdings that have or are likely to have a negative impact on the conservation values or the efficient and effective management of existing public lands,
- 2) Private inholdings that have a negative impact on the outdoor recreational values of the existing public lands,
- 3) Private holdings that will provide or enhance public access to existing public lands and/or bodies of water where access is not sufficient

Within the category of **Providing Access to Michigan's Waters**, we can establish more specific goals as follows:

Boating and Fishing Access to Lakes: Provide public access on all Michigan lakes larger than 150 acres.

General Boating and Fishing Access to Rivers: Provide at least one public access every 10 miles on all Michigan's rivers and stream

Fishing Access to Michigan's Quality Fishing Streams and Rivers: Provide at least one public access on every mile of Michigan's quality fishing streams and rivers.

GEOGRAPHIC PRIORITIES

The total number of potential outdoor recreation users is highest in Michigan's southern Lower Peninsula. However, the proportion of lands available to the public for outdoor recreation is lowest in the southern Lower Peninsula and increases considerably as you go north.

In most cases the General Acquisition Priorities will be adequate to guide the Department in acquisition decisions regardless of where the opportunities occur in the State. However, when acquisition opportunities are found to be relatively equal under the General Acquisition Priorities on the previous page, as a general rule, **Acquisition Priorities by Geographic Region of the State** are:

- 1) Southern Lower Peninsula
- 2) Northern Lower Peninsula
- 3) Upper Peninsula

While these geographic priorities apply to most aspects of the Department's lands, specific restricted funds, such as the Deer Range Improvement Fund, are focused toward the acquisition of important deer habitat components such as winter deer yard areas, especially in the Upper Peninsula.

In addition, the Department has placed a priority on developing partnership initiatives that will help address very large land holdings through the acquisition of conservation easements that provide continuation of science-based management of their forest resources and wildlife habitats, as well as provide for public access for natural resource-related outdoor recreation.

WILLING SELLER

Actual acquisitions and land exchanges are always dependent on the Department finding a private landowner who is willing to sell or exchange their lands.

Disposal of State of Lands Administered by the Department of Natural Resources

Parcels to be disposed of through sale should generally meet the following: 1) these lands lie outside State-dedicated boundaries and outside special project boundaries, 2) these lands have relatively little natural resource, ecological or outdoor recreation values, 3) the disposal of these lands would result in increased efficiency of land administration.

Parcels to be disposed of through exchange or transfer should generally meet more than one of the following: 1) these lands lie outside State-dedicated boundaries and outside special project boundaries, 2) these lands have relatively little natural resource, ecological or outdoor recreation values, 3) the natural resource, ecological or public outdoor recreation values of these lands could be conserved and utilized as well or better if administered by another agency or owner, 4) an exchange of these lands for other lands will result in an improvement in the natural resource, ecological, or outdoor recreation values of lands administered by the Department

LAND MANAGEMENT BOUNDARIES

The Natural Resource Commission recently adopted a new policy (NRC Policy 2627) on land holdings administered by the Department of Natural Resources to help direct the evaluation of current lands and the needs to address both natural resource conservation and natural resource-related outdoor recreation.

An important step for the Department in fulfilling that policy is a reevaluation of the dedicated boundaries of the Department's land holdings. Some of the dedicated boundaries for the Department's lands have not been reviewed in decades. In order to help in specifically identifying those lands which are most desirable additions and those lands which are most appropriate for disposal from the State's ownership, it is important that these boundaries be reviewed and revised in light of today's needs for natural resource conservation and natural resource-related outdoor recreation.

STATE LAND REVIEW ACTION STRATEGIES – PHASE 1.1

State Park Boundaries Action Strategy: Parks and Recreation Division will work with the other Resource Management Divisions to review all existing boundaries for Michigan's State Parks and will submit updated project boundary recommendations to the Director. Done, Fall 2003

State Game and Wildlife Area Boundaries Action Strategy: Wildlife Division will work with the other Resource Management Divisions to review all existing boundaries for Michigan's State Game and Wildlife Areas and will submit updated project boundary recommendations to the Director. Done, Fall 2003

State Recreation Area Boundaries Action Strategy: Parks and Recreation Division will work with the other Resource Management Divisions to review all existing boundaries for Michigan's State Recreation Areas and will submit updated project boundary recommendations to the Director. Done, Fall 2003

State Forest Boundaries Action Strategy: The Co-managers of the State Forests, led by Forest, Mineral, and Fire Management Division, will work with the other Resource Management Divisions to review all existing boundaries for Michigan's State Forests and will submit updated project boundary recommendations to the Director. Done, Fall 2003

Interim Land Transaction Strategy: In order to free staff time in the Department to accomplish the implementation of the strategies of Phases 1 and 2, the Department will place a moratorium on all land transactions that are not initiated by the Department, unless those transactions are to resolve trespasses. Done, Summer 2003

Public Involvement Action Strategy: The Department and the Natural Resource Commission shall receive public comment on the recommended project boundaries before the Director adopts those boundaries on behalf of the Department. Done, December 2003 through January 2004

STATE LAND REVIEW ACTION STRATEGIES – PHASE 1.2

Action Strategy for Appropriate, Alternative Conservation Owners: The Department will identify appropriate, conservation oriented land owners and managers who might serve as alternate owners of certain properties which could continue to fulfill their conservation and outdoor recreation potentials more effectively under the ownership or administration of another conservation partner. In addition, the Department will identify appropriate restrictions that may be attached to certain of those lands to assure the continued fulfillment of their conservation and outdoor recreation potentials if they were transferred to another owner. The Department will submit recommendations to the Director in Summer 2004.

Action Strategy for Land Transactions Arising Out of the Land Review Effort: The Department's Office of Lands and Facilities will work with the Resource Management Divisions to identify appropriate, effective, and timely strategies to implement land transaction recommendations identified in the Phase 2 review, and submit those recommendations to the Director in Summer 2004.

STATE LAND REVIEW ACTION STRATEGIES – PHASE 2

Action Strategy to Identify State Lands Which Are Not Contributing Sufficiently To The Department's Conservation and Outdoor Recreation Mission To Warrant Their Continued Ownership By The Department: In each 4 month period following the approval of updated Project Boundaries identified in Phase 1, Forest, Mineral, and Fire Management Division, Wildlife Division, and Parks and Recreation Division will work jointly with the other Department Divisions and Offices to review all those lands lying outside the newly designated State Land Project Boundaries in 10 counties to determine whether any of those lands are not contributing sufficiently to the fulfillment of the Department's conservation and outdoor recreation mission to warrant their continued ownership by the Department. (Properties so identified may be more suitable for appropriate transfer to another conservation owner or may be used to acquire more suitable public lands through land exchange or sale and purchase.) The staff will then submit recommendations to the Director, repeating this process until all counties have been reviewed.

Public Involvement Action Strategy: The Department and the Natural Resource Commission shall receive public comment on each wave of land recommendations before the Director adopts those recommendations on behalf of the Department.

STATE LAND REVIEW ACTION STRATEGIES – PHASE 3

Action Strategy for Implementation Land Review Recommendations: As lands are identified and approved for acquisition, trade, or disposal as a result of the review strategies of Phase 2, the Department will begin implementing the land transaction strategy and alternative conservation owners' strategy developed in Phase 1.

STATE LAND REVIEW ACTION STRATEGIES – PHASE 4

Action Strategy to Maintain an Up-to-date Public Land Base in Michigan: In conjunction with its conservation partners and other land managing agencies, the Department will implement a thorough review of the lands administered by the Department at least once each decade.

NOTE – SPECIAL RESTRICTIONS: Many of the lands administered by the Department, especially those purchased by or donated to the Department, have special conditions or restrictions associated with their ownership and management. The Department will assure that any such conditions or restrictions are complied with fully in implementing these strategies.